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C O N F I D E N T I A L ANKARA 001279

SIPDIS

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TAGS: [PREL](#) [PGOV](#) [EPET](#) [ENRG](#) [IZ](#) [TU](#)  
SUBJECT: TURKEY/IRAQ ENERGY COOPERATION: GOT OPTIMISTIC,  
BUT NO AKKAS COMMITMENTS, MFA TELLS DAS BRYZA

Classified By: Ambassador Ross Wilson, reasons 1.4 (b,d)

GOT PLEASED WITH BAGHDAD VISIT

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11. (C) MFA Deputy U/S for Middle East, Iran and South Asia Sinirlioglu expressed to visiting EUR DAS Bryza July 11 the GOT's satisfaction with PM Erdogan's July 10 visit to Baghdad. The visit was the first full-fledged ceremonial reception of a visiting leader held at Baghdad airport. Sinirlioglu, who was on the trip, noted that the delegation left the Green Zone for its meeting with Iraqi President Talabani and the city appeared more calm to him now than in the past; he had noticed young children playing soccer outdoors. He asked Bryza to convey his appreciation to Ambassador Crocker and Embassy Baghdad for their excellent cooperation and help with security arrangements.

OPTIMISTIC ON TURKEY-IRAQ ENERGY COOPERATION,  
BUT NO COMMITMENT ON AKKAS GAS FOR NABUCCO

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12. (C) Turning to the Turkey-Iraq Joint Declaration (emailed to the Department and Embassy Baghdad), Sinirlioglu said it was not hard to get Iraqi agreement on energy cooperation. Sinirlioglu said a number of ideas for exporting Iraqi oil and gas resources are being explored, including a proposal to deliver one million barrels of oil per day from Kirkuk directly to the Syrian Mediterranean, via a pipeline closed down in 1979. Turkey wishes to make Syria part of solutions in Iraq and cannot make an argument to the Iraqis not to export oil and gas through Syria; it's up to the U.S. to talk to the Iraqis about that.

13. (C) Bryza underscored the priority the U.S. places on Nabucco, noting Special Envoy Gray's meeting earlier in the day with PM Erdogan (septel). If Turkey intends to ensure its own energy supply, and if all or most of Akkas' estimated 5 bcm of gas goes to Syria, there will not be enough to supply the Nabucco or Turkey-Greece-Italy (TGI) pipelines.

14. (C) Sinirlioglu replied that Turkey is the biggest and closest gas market in the region. There is a commercial incentive for countries to sell their gas to or transit it through Turkey. He agreed that progress since the last U.S.-Iraq-Turkey energy trilateral has been slow and that we should expedite the process; the Turkey-Iraq Joint Declaration could kickstart our efforts. Sinirlioglu surmised the Iraqi Energy Minister is waiting for the passage of a hydrocarbons law; Turkish energy deals will benefit the Kurdish Regional Government (KRG), and he does not wish to allow that yet. Sinirlioglu and Bryza agreed the Turkish and U.S. Embassies in Baghdad should work together to convince the GOI to accelerate investment in gas production, with an

eye on eventual exports to Turkey and onward to Europe. Asked if he had a sense the KRG wants to work with Baghdad, Sinirlioglu replied, "what else can they do?" Turkey is encouraging its companies to make contacts in Iraq -- not to go invest -- in preparation for the opening of the Iraqi energy market. Already, he noted, one Dubai-based company, Danagaz, has made a \$600 million investment and is supplying gas directly to two power plants in northern Iraq.

15. (U) DAS Bryza cleared this cable.

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